From farm to fork:

why is upscaling so difficult? … The challenges of organizing efficient logistics

16th of June 2020

Example: „Mein Marktstand“

- Founded 2016 by Garvin Hinrichs (no farmer) in Oldenburg
- Since spring 2020: 5 employees
- A platform to collect and present regional products of different farms
  - Software is transferable to any region/country
  - Mr. Hinrichs is at no time owner of the products – he only provides the platform as an online marketplace (like eBay)
- Storytelling through farm presentations, blogposts, social media
- Actual 47 farms and 800 customer (→ goal: growth all over Germany)

Producer

- Founder search producer or interested producer get in contact with him by themselves
- Criteria for producer f.ex.:
  - Only SMEs to support them by upscaling from local to regional market size
  - Animal welfare production (ecologically not necessary)
  - High quality products
- Each farmers decide themselfs the delivery area (local, regional, national)
- They upload the products with a detailed description, prices and an explanation about the farm and the way they are working

Procedure

1) Producer publishing products

2) Consumer buy products from one or more supplier

3) The producer get an information from the system which products are bought and packaging the food

4) Logistics: they use existing logistic systems to use ressources efficient and to close cycles

- Regional consumer: a regional post delivery service collect the food at the farms after they deliver the daily post and packages → avoid empty running
  The products are collected in a central station in Oldenburg and filled in one package for delivering to consumer
- National consumer: „Mein Marktstand“ work together with a national logistic shipping partner to deliver consumer all over Germany

Goal of the founder

- To collect producer all over Germany for a big online marketplace
- The consumer decide by themselves which circle is regional for them and has the option to buy only local/regional or national
- Actual only B2C, they are working on an additional B2B-platform to reach more and higher turnover

Sucess factors

- Low risks for the shop owner
- Regional products become more popular
- Using existing logistic partner, ressources and close circles
- Invest a lot of effort to find producer with different interesting products right from the start
- No storage rooms necessary
- Cooperation with regional newspaper → publishing stories about the farmer → support marketing activities

Problems

- Finding producer and logistic partner out of the north west – need a lot of effort
- Competition with other small delivery shops in the other planned regions
- Getting popular is a long way and need a lot of marketing effort
- Yet, buying food online is not as common as for non-food products
- Actual only one fish trader out of Wesermarsch in the shop → Wesermarsch provide only a few direct seller → farmers are often sceptical about new solutions

Thank you for your attention !

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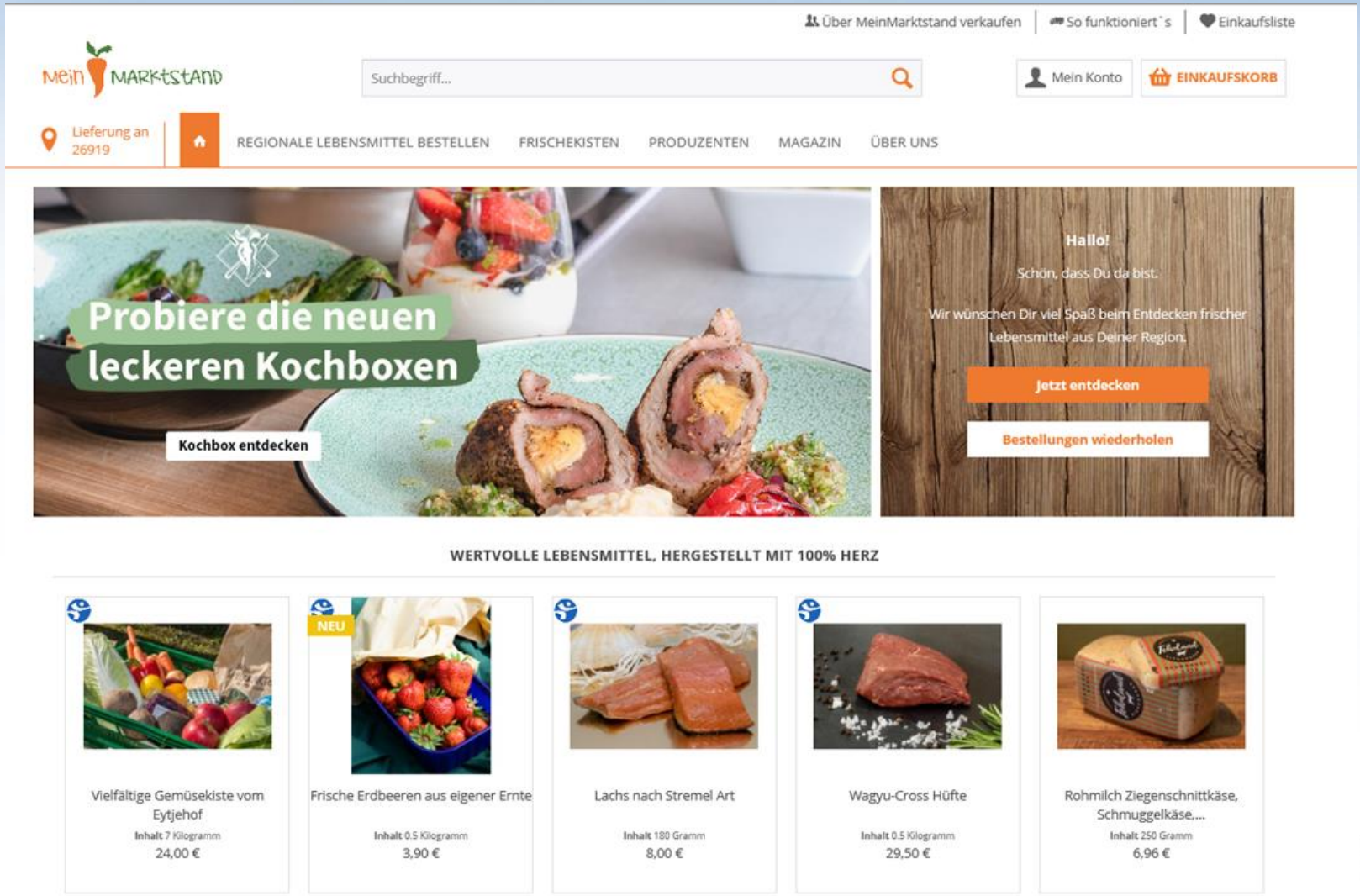
Website



https://www.meinmarktstand.de

Movie

https://www.youtube.com/watch?v=3nIYKK896R8&feature=emb_title

Landgoud

Hero Havenga de Poel

Reframe 16 juni 2020

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Family company
at the Groninger coast

Philosophies and theories

Farmer or food company?

Short food supply chain

micro, meso en macro

Spelt

HET GOUDEN GRAAN UIT GRONINGEN

Van het "Oberkulmer Rothorn" ras is onze biologische spelt van boer Ale Havenga uit Kloosterburen. Vaak is spelt doorveredeld, waardoor het soms tot zelfs 100% tarwe bevat. Vinden wij niet fair. Wereldwijd zijn er nog maar enkele 100% natuurzuivere speltrassen. Oberkulmer Rothorn is er daar één van. Hoe ongelooflijk bijzonder is het, dat dit oergraan in de zuiverste vorm in Groningen, pal aan de Waddenzee groeit? En dat wij een deel van dit gouden goed aan jou mogen aanbieden, met een GreenAge label erop? Voel je onze trots?

Spelt is een 5 x bijzonder graan: spelt is bijzonder gezond voor lijf en geest, het houd je fit, is makkelijk verteerbaar en bijzonder rijk aan essentiële mineralen en vitaminen. Dit oergraan is bijzonder biologisch omdat het alleen maar biologisch kan zijn: het gaat kapot van chemische bestrijdingsmiddelen en kunstmest. En spelt is van nature bijzonder goed bestand tegen typische

DE STREEKBOER

Horizontal integration

Practise

White current

Products

Old variaties of grains > 15 years: Emmer, Eenkoorn, Spelt [Oberkulmer Rotkorn]

Partners

SPELT-PRODUCT
Een zuiver
streekproduct
PIETERBUREN EN OMSTREKEN

DE VELDKEUKEN
AMELISWEERD

Peters
Peters

van Esch
ambachtelijke bakker

Pasta, risotto, flour….

Brewery Groninger

Groninger black mustard

Groninger mustard of organic black Groninger mustard seeds

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Wrapping up

	beer	risotto	wine	Spelt flower	pasta	musterd
micro			X	X	X	
meso	X	X		X	X	X
macro	X	X				X

- Be an entrepreneur, not a farmer.
- Only work with people you trust.
- Wrong costs calculation. Now make open calculation.
- Windmills without a breeze of wind in…

-> there are multiple ways of logistics and distribution
-> stay independent!

Interesting links

- www.proeftuingroningermosterd.nl
- www.landgoud.nl/nieuws/

- hero@landgoud.nl

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De Streekboer

Started as start up at Hanze University of applied sciences

Facilitates short chains from farmer to consumer

Mission and vision based on 10 habits for good food

DE STREEKBOER

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- ✓ Lots of lessons learned during the last 5 years
- ✓ Adapting the concept and proces continuously
- ✓ Business to consumer
- ✓ And recently also Business to business by new coöperation De Streekboer & Co, B-to-B requires extra process steps like peeling and cutting of vegatables
- ✓ Businessmodel, distribution and logistics hard to scale up.

Development routes

Started with logistics excecuted bij famers themselves

Distribution with central pickup points

Distribution with multiply pickup points

And also pilots with home delivery

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Frictions

Regional, with still a lot of logistic movements

Unique selling point creates lots of positive vibes and first buyers, but willingness from consumers to act for longer period is low.

Large overhead costs at the small producers and at De Streekboer (marketing, orderpicking, packaging, logistics, ..)

Because of that parts of the organisation are filled with volunteers. Which also requires a lot of time and is difficult in fast chancing moment as such as Covid-Corona times

Lokalproducerat i Väst

Lokalproducerat i Väst

REKORING	Step 1	Step 2	Step 3	Delivery
	Marketing & Order *Facebook/Messenger*	Confirm order *Facebook/Messenger*	Delivery *Goods are delivered on Agreed time and place.*	Kommunikation *Seller & Customer meet and make the deal-*

Lokalproducerat i Väst

REKORING

-Next level

Shop in Shop

Retail during 2021

Adapt product to Retail.

- EAN

- Labeling

Launch Shop in Shop

Delivery/order

- E-shop

Goal

Localally prod. Product in retail on e-shop and in store.

Lokalproducerat i Väst

Bondens Skafferi
-Is a wholesaler, thats pick up the products at the manufacturing site. And then deliver it to restaurants. Good realationship between producer and wholsaler.

1. Order from HoReCa

2. Pick Up at site

3. Delivers to Restaurant

- Upscale –Retail ”Covid”

- Problem only HoReCa

”The Local Market”

A Danish initiative in the region of Northern Jutland that brings local food to the consumers

DET
LOKALE MARKED

REFRAME

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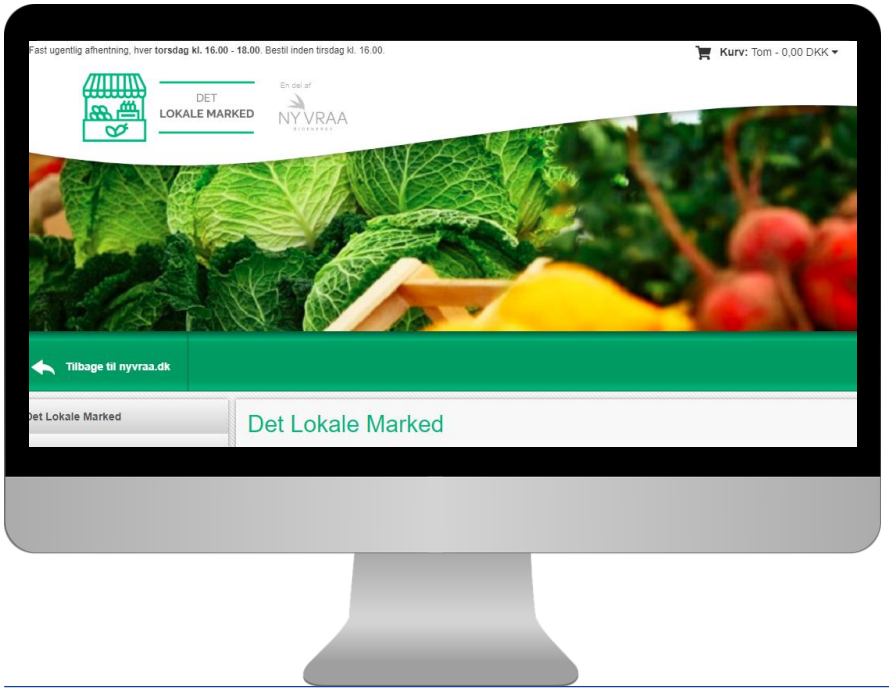
About ”The local Market”



- ✓ Online platform (https://nyvraa.dk/dlm)
- ✓ Running for 1,5 years
- ✓ 300 local foods from 29 local producers
  - ❑ Meat, fish, eggs
  - ❑ Fruit and vegetables
  - ❑ Dairy
  - ❑ Beverages
  - ❑ Tea & coffee
  - ❑ Bread
  - ❑ Honey, oil, marmalade, etc

Laila Dam,
Food & Bio Cluster Denmark

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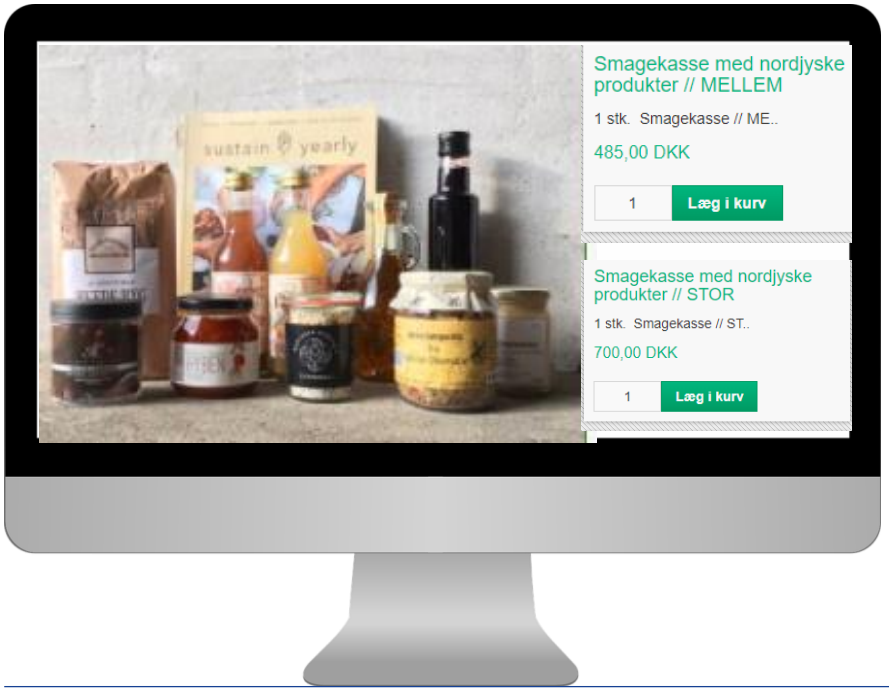
The Taste Box



- ✓ Medium (65 EUR) or large (94 EUR)
- ✓ Contains a wide selection of premium food products

Laila Dam,
Food & Bio Cluster Denmark

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Delivery

- ✓ FREE DELIVERY for purchases over 54 EUR within the region
- ✓ Delivery costs 5 EUR for purchases below and the rest of Denmark
- ✓ Or you can pick up the products from the distribution address.

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Focus on……

- ✓ You get completely fresh products
- ✓ Secure fair earnings to the manufacturer who gets 80% of the revenue for their goods.
- ✓ YOU SUPPORT LOCALLY, which benefits your immediate area.
- ✓ No waste of food, as manufacturers know in advance what quantities to deliver each week.

Laila Dam,
Food & Bio Cluster Denmark

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How it works

- ✓ Place your order online once a week: deadline Tuesday at 16:00
- ✓ Pick up your delivery Thursday between 16:00 and 18:00 from the distribution address
- ✓ Or delivery to your home address between 15:00 and 20:00
- ✓ The goods are brought to the distribution address, producers help each other, fish is picked up by “Det locale marked”

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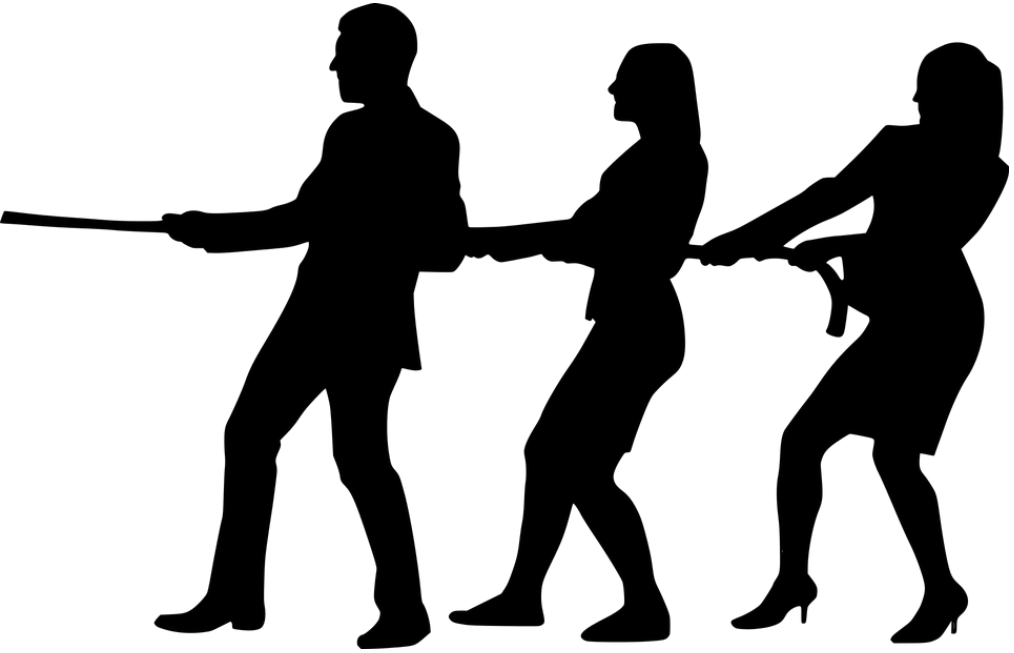
Facts & figures

- ✓ Approx. 35 orders each week
- ✓ 98 unique buyers one week (record)
- ✓ A reasonable turnover
- ✓ 80/20 distribution of turnover
- ✓ The 20 % cover, running website, SoMe, newsletter, delivery
- ✓ Almost 2000 followers on Facebook

What works

- ✓ Remind people to order shortly before the deadline on SoMe and newsletter
- ✓ Free delivery: people tend to order just enough to get free delivery
- ✓ Press release one week after the Corona outbreak in Denmark – sales grew with 300%

Challenges



- ✓ Changing peoples shopping habits
- ✓ Delivery costs
- ✓ Cooperating with food producers
  - ✓ Not used to thinking in sales
  - ✓ Can be difficult to get hold on (phone, email)

From farm to fork

Belgian region – 16 june 2020

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Koket – brief decription

- Please find the video on our website soon! https://www.koket.be/

Koket – logistics- B2C

Producers fill (on the spot) the collect and go boxes.

Producer is responsible

Koket – upscaling possibilities

- Other regions
- The demand is currently not higher than the supply

Koket – succes factors and problems

- succes
  - quick and easy (client and producer)
  - fair price (client and producer)

- problems/challenges
  - wide range of products (finding enough different farmers)
  - finding a good location (incl. fridges)

Westreex – brief description

westreex

levert lekker lokaal

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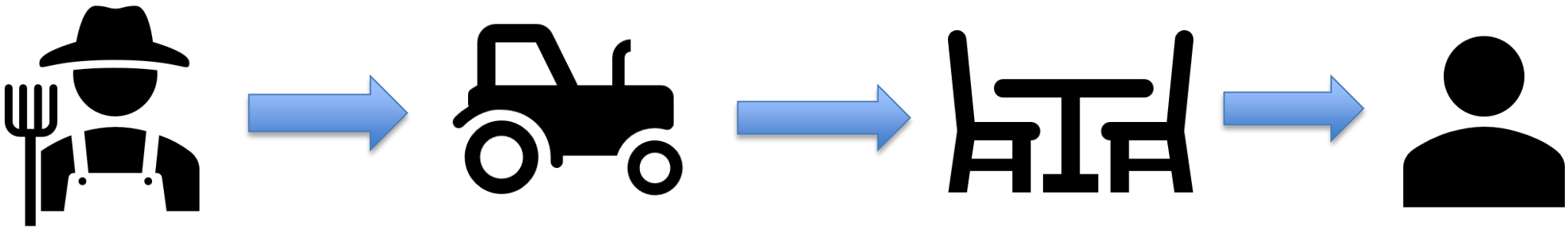
Westreex– logistics – B2B



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Westreex - Upscaling possibilities

- to other regions
- more producers

Westreex – succes factors and problems

- succes
  - local/fresh
  - fair price producers
  - restaurants

- problems/challenges
  - variety
  - rendability
  - logistic route
  - convincing professionals
  - price

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